

**GUIDELINES:
BIDDING PROCEDURES
AND CONTRACT ADMINISTRATION
FOR ALL GOVERNMENT AND PRIVATE
FUNDED PROJECTS**



**STATE DEPARTMENT OF POLICY AND ARCHITECTURE
OF THE REPUBLIC OF ARMENIA**

GUIDELINES: BIDDING PROCEDURES FOR ALL GOVERNMENT AND PRIVATE FUNDED PROJECTS

For use when competitive lump sum bids
are requested in connection with building
and related construction.

THE CONCEPT OF CONSTRUCTION BIDDING

Introduction

The purpose of these Guidelines is to inform those carrying out a project that is financed in part by the State or Private Funds.

The rights and obligations of the Owner and Contractor are governed by the bidding documents, and by the contracts signed by the Owner and Contractor.

Owner and Architect

The owner and the architect work together on a package of information (drawings and the project manual) that describes the project and the terms and condition under which it is to be constructed. These documents are to provide sufficient information for all bidders to make a knowledgeable, accurate bid. Generally, this is technical information, but legal and procedural requirements also are covered. The content or format of the drawings and project manual should clearly state what is required for the specific project.

The owner should demonstrate financial responsibility for project funding and agree to the timely award of a contract to the lowest responsible bidder.

Contractors

The various contractors who consider bidding on a project will first assess whether they can prepare a bid in the manner and by the time requested. They must also decide whether they can meet the technical requirements, whether they have the financial responsibility, and whether they have sufficient staff and supervisory personnel to properly perform and coordinate all phases of the work. They may expect that the technical information presented is consistent with local laws and ordinances pertaining to the design and construction of buildings; that they have been reasonably alerted to unusual conditions known to the owner and the architect that could affect cost; and that they will not be penalized for unreasonable deficiencies in the various documents. On this basis, contractors can submit a bid with confidence in their ability to fulfill their obligations.

THE ELEMENTS FOR THE PROJECT MANUAL

The project manual covers all of the bidding documents and all of the contract documents, either by physically including them or by reference.

The Agreement and Conditions

While there are other methods of project delivery, there are advantages to including the whole project under a single contract. Under this system, the contractor assumes full responsibility for the supervision of work and completion of the project at a stipulated cost. The contractor is also responsible for the selection of subcontractors and the proper execution of all subcontracts, consistent with the general conditions of the contract for construction. However, the owner and the architect may retain the right to object to a subcontractor for just cause.

The contract is usually divided into two parts: the agreement form, which deals with specific project items such as price, timing and payment provisions and the conditions of the contract for construction. The general conditions are applicable to many projects. While supplementary or other conditions are often required to deal with particular circumstances.

The most important aspect of the general conditions is that they are known and understood throughout the construction industry. For this reason, they should be included in the project manual in their published form.

Supplementary conditions modify the standard provisions to account for local legal, physical, climatic and other conditions. The added or modified articles should be listed in numbered sequence so that contractors can quickly recognize particular requirements of the project without requirements of the project without rechecking the basic provisions of the general conditions for changes or alterations.

One of the more critical provisions of the contract deals with the timing and length of the construction period. The owner should be advised that strikes, "acts of God" and other situation beyond the control of the contractor and the architect may extend the time of completion and that the contractor cannot be held responsible for such delay. Contract documents state that time is of the essence of the contract. This means that if the time limit is exceeded and the project is not complete, the contractor may be liable to the owner for damages. What those damages might be in monetary terms is often very hard to assess, even when the time limit is actually exceeded. They are even more difficult to determine at the start of construction. An owner may decide to include in the bidding documents a reasonable statement of damages which may be incurred in the event of delay. This amount is called liquidated damages, and the owner's attorney must write such a clause, if it is desired, so that it can be included with the other information provided to bidders.

Because time is so important, a completion date or length of the construction period should be clearly stated. Owner should recognize that "completion" is generally considered to be "substantial completion."

As defined this is when the work or a specific part of it is sufficiently complete so the owner can occupy it for its intended use. Additional work may be required after substantial completion to bring the project to final completion.

Insurance and Bonds

The owner may wish to require surety bonds for payment and performance of the work. These bonds are often incorrectly thought of as insurance. A surety bond is a threeparty instrument in which the surety guarantees that the contractor will fulfill contractual obligations to the owner and will pay for all labor and materials according to those obligations.

Another surety bond is a bid bond. It is used to induce the bidder who is awarded the contract within the time stipulated to meet the established requirements and sign the agreement. Failure to do so would result in forfeiture of the penal sum of the bond. The penal sum is typically an amount intended to cover the difference between the bid and a larger amount which the owner may, in good faith, have to pay to have another party perform the work covered by the bid.

A time should be established in the bidding documents for the return of these securities. Bonding requirements must be communicated to the contractors so these costs can also be incorporated into their bids.

The Drawings

The drawings communicate information concerning sizes, locations, relationships, configurations quantities and other similar items. Drawings show what is involved, where it is located and what the physical dimensions are. To do so clearly, the drawings must be well conceived, well coordinated, accurate and adequately dimensioned. Drawings are for the contractor's use in preparing estimates and quantity surveys for bid preparation as well as providing adequate guidance for construction of the work. The drawings should be reasonably complete, including appropriate sections and details, and drawn to such scale that the contractor is reasonably informed of the intended result. The drawings do not typically contain explicit information on every detail of the construction.

Structural, mechanical and electrical work is usually shown on separate drawings with special attention to the more complicated or critical details. The need for careful coordination of all aspects of the design exists whether single or multiple drawings are used.

Because site, soil and utility information is important to the cost determination, bidders should be provided with surveys describing the physical characteristics (topography, ground cover, structures, etc.), legal limitations and utility locations for the project site. Soil borings should be made and a laboratory report prepared on subsurface conditions. This information is supplied by the owner based on consultations with the architect.

Specifications

The specifications complement the drawings and address requirements best expressed in words: the quality of materials and equipment, the installation methods and techniques, and the results to be achieved.

The specifications portion of the project manual is typically organized into sixteen divisions.

General Planning and Design Data

- 1.Sitework
- 2.Concrete
- 3.Masonry
- 4.Metals
- 5.Wood
- 6.Thermal and Moisture Protection
- 7.Doors and Windows
- 8.Finishes
- 9.Specialties
- 10.Equipment
- 11.Furnishings
- 12.Special Construction
- 13.Conveying Systems
- 14.Mechanical
- 15.Electrical

However, the organization of the specifications into divisions, sections and articles does not control the contractor in dividing the work among subcontractors or in establishing the extent of work to be performed by any trade.

THE BIDDING PROCESS

Selection of Bidders

Except where legal requirements make unrestricted or "public bidding" mandatory, it is desirable to establish a list of contractors to be invited to bid. The owner should select bidders following consultation with the architect.

Prequalification of Bidders

Prequalification is advisable for large or complex works and, exceptionally, for custom designed equipment and specialized services to ensure, in advance of bidding, that invitations to bid are extended only to those who are capable.

Prequalification may also be useful to determine a contractor's eligibility for domestic preference where this is allowed. Prequalification should be based entirely upon the capability of prospective bidders to perform the particular contract satisfactorily, taking into account, *inter alia*, their (I) experience and past performance on similar contract, (II) capabilities with respect to personnel, equipment and plant, and (III) financial position. The scope of the contract and a clear statement of the requirements for qualification should be sent to all those that wish to be considered for prequalification. As soon as prequalification is completed, the bidding documents should be issued to the qualified bidders. All such bidders that meet the specified criteria should be allowed to bid.

The number of contractors invited to bid on a project should be limited to the number required to insure adequate price competition.

Advertisement or Invitation for Bids

For public work, the law may require that an announcement of bidding for the project be published as a legal notice in one or more newspapers. The advertisement should be included in the project manual. For private work, public advertisements are rare. Selected contractors are sent an invitation to bid outlining the scope of work and including other pertinent information. The invitation should also be included in the project manual.

Bidding Documents

The bidding documents should furnish all information necessary for a prospective bidder to prepare a bid for the goods and works to be provided. While the detail and complexity of these documents will vary with the size and nature of the proposed bid package and contract, they should generally include: invitation to bid; instructions to bidders; form of bid; form of contract; conditions of contract, both general and specifications; and drawings, as well as necessary appendices, such as formats for various securities. If a fee is charged for the bidding documents, it should be reasonable and reflect the cost of their production and should not be so high as to discourage qualified bidders.

Instruction to Bidders

Instruction to Bidders explain the procedures to be followed in preparing, submitting and opening bids.

Bidding

Each contractor invited to bid should be furnished, free of charge or on a refundable deposit basis, drawings and the project manual covering all branches of work to be included in the bid. When portions of the work are to be performed by the owner or separate contractors, it is important that the bidding documents clearly differentiate the separate elements of the work and indicate the party responsible for coordinating the work of the several prime contractors and/or that of the owner. One set of drawings and specifications for all portions of the work to be let by separate bids taken by the owner should also be furnished.

The owner should authorize the architect to determine the number of sets of documents to be issued to each contractor, according to the type of work to be done and the time limits for submitting bids. If a bidder requests additional sets of documents for bid preparation, the bidder should purchase them. It is customary for the owner to reimburse the architect for the cost of providing these documents to bidders. Each bidder should be allowed to retain the documents until the contract has been awarded or until that bidder is definitely eliminated from competition; the documents should then be promptly returned to the architect, and the deposit should be refunded if the documents are complete and in good condition.

A blank bid form is usually prepared by the architect specifically for the project, with copies bound into each project manual.

The owner and the architect should determine and allocate sufficient time for bidders to prepare their proposals since this is essential to effective price competition. If the best interests of the project require the original amount of time to be extended, bidders should be notified at least three working days prior to the original date for receipt of bids. A pre-bid conference is recommended to resolve questions bidders may have, and should be held in advance of the bid date to allow clarification by addenda of questions raised.

Addenda are changes in the contract documents made before the owner-contractor agreement is signed. All such changes must be in written and/or graphic form and must be sent to each holder of a set of bidding documents-one copy per set. No addenda should be issued later than four working days before the scheduled date for receipt of bids, except to withdraw the request for bids or postpone the date for their receipt. If bidders have questions for the architect, they should be submitted far enough in advance so the architect has time to respond with an addendum, if necessary, according to the above schedule.

The owner and the architect should cooperate to avoid conflicts with the date for receipt of bids on other projects. Bidders have limited

resources and too many bids due at once can restrict the number of bidders for any given project and severely affect bid quotations.

Bids should be delivered at a designed place, not later than a specified time, preferably after noon any day but weekends.

It is recommended that bids be opened in the presence of all bidders. If bids are not opened in the presence of bidders, a tabulation of all bids should be furnished to each bidder within ten days from bid date.

The owner, by provisions in the instructions to bidders, invitation or advertisement to bid, typically retains the right to reject any and all bids.

Award of Contract

The contract should be awarded to the lowest responsible bidder. If after bids are opened, the low bidder claims a substantial error in the preparation of the bid and can support the claim, the owner and the architect should consider whether or not to permit the bid guarantee returned. Often, mathematical errors or errors of transcription will justify withdrawal of a bid, whereas errors of judgment as to the cost or quantity of labor or materials will usually not justify withdrawal.

If a bidder withdraws or is disqualified, the remaining bids should be considered as though that bid had not been received.

Under no circumstances should a bidder be permitted to alter a bid after all bids have been opened unless it is the apparent low bid and the owner desires to negotiate minor changes.

CONTRACT GENERAL CONDITIONS

ARTICLE 1 GENERAL PROVISIONS

1.1 BASIC DEFINITIONS

1.1.1 THE CONTRACT DOCUMENTS

The Contract Documents consist of the Agreement between Owner and Contractor (hereinafter the Agreement), Conditions of the Contract (General, Supplementary and other Conditions), Drawings, Specifications, addenda issued prior to execution of the Contract, other documents listed in the Agreement and Modifications issued after execution of the Contract. A Modification is (1) a written amendment to the Contract signed by both parties, (2) a Change Order, (3) a Construction Change Directive or (4) a written order for a minor change in the Work. Unless specifically enumerated in the Agreement, the Contract Documents do not include other documents such as bidding requirements (advertisement or invitation to bid, Instructions to Bidders, sample forms, the Contractors bid or portions of addenda relating to bidding requirements).

1.1.2 THE CONTRACT

The Contract Documents form the Contract for Construction. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations or agreements, either written or oral. The Contract may be amended or modified only by a Modification. The Contract Documents shall not be construed to create a contractual relationship of any kind (1) between the Architect and Contractor, (2) between the Owner and a Subcontractor or Subcontractor or (3) between any persons or entities other than the Owner and Contractor.

1.1.3 THE WORK

The term "Work" means the construction and services required by the Contract Documents, whether completed or partially completed, and includes all other labor, materials, equipment and services provided or to be provided by the Contractor to fulfill the Contractor's obligations. The Work may constitute the whole or a part of the Project.

1.1.4 THE PROJECT

The Project is a total construction of which the Work performed under the Contract Documents may be the whole or a part and which may include construction by the Owner or by separate contractors.

1.1.5 THE DRAWINGS

The Drawings are the graphic and pictorial portions of the Contract Documents, wherever located and whenever issued, showing the design, location and dimensions of the Work, generally including plans, elevations, sections, details, schedules and diagrams.

1.1.6 THE SPECIFICATIONS

The Specifications are that portion of the Contract Documents consisting of the written requirements for materials, equipment, construction systems, standards and workmanship for the Work.

1.1.7 THE PROJECT MANUAL

The Project Manual is the volume usually assembled for the Work which may include the bidding requirements, sample forms, Conditions of the Contract and Specifications.

1.2 EXECUTION, CORRELATION AND INTENT

1.2.1 The Contract Documents shall be signed by the Owner and Contractor as provided in the Agreement.

1.2.2 Execution of the Contract by the Contractor is a representation that the Contractor has visited the site, become familiar with local conditions under which the Work is to be performed and correlated personal observations with requirements of the Contract Documents.

1.2.3 The intent of the Contract Documents is to include all items necessary for the proper execution and completion of the Work by the Contractor. The Contract Documents are complementary, and what is required by one shall be as binding as if required by all; performance by the Contractor shall be required only to the extent consistent with the Contract Documents and reasonably inferable from them as being necessary to produce the intended results.

1.2.4 Organization of the Specifications into divisions, sections and articles, and arrangement of Drawings shall not control the Contractor in dividing the Work among Subcontractors or in establishing the extent of Work to be performed by any trade.

1.2.5 Unless otherwise stated in the Contract Documents, words which have well-known technical or construction industry meanings are used in the Contract Documents in accordance with such recognized meanings.

1.3 OWNERSHIP AND THE USE OF ARCHITECTS DRAWINGS, SPECIFICATIONS AND OTHER DOCUMENTS

1.3.1 The Drawings, Specifications and other documents prepared by the Architect are the instruments of the Architect's service through which

the Work to be executed by the Contractor is described. The Contractor may retain one contract record set. Neither the Contractor nor any Subcontractor, Subcontractor or material or equipment supplier shall own or claim a copyright in the Drawings, Specifications and other documents prepared by the Architect, and unless otherwise indicated the Architect shall be deemed the author of them and will retain all common law, statutory and other reserved rights, in addition to the copyright. All copies of them, except the Contractor's record set, shall be returned or suitably accounted for to the Architect, on request, upon completion of the Work. The Drawings, Specifications and other documents prepared by the Architect, and copies thereof furnished to the Contractor, are for use solely with respect to this Project. They are not to be used by the Contractor or any Subcontractor, Subcontractor or material or equipment supplier on other projects or for additions to this Project outside the scope of the Work without the specific written consent of the Owner and Architect. The Contractor, Subcontractors, Subcontractors and material or equipment suppliers are granted a limited license to use and reproduce applicable portions of the Drawings, Specifications and other documents prepared by the Architect appropriate to and for use in the execution of their Work under the Contract Documents. All copies made under this license shall bear the statutory copyright notice, if any, shown on the Drawings, Specifications and other documents prepared by the Architect. Submittal or distribution to meet official regulatory requirements or for other purposes in connection with this Project is not to be construed as publication in derogation of the Architect's copyright or other reserved rights.

ARTICLE 2 OWNER

2.1 DEFINITION

2.1.1 The Owner is the person or entity identified as such in the Agreement and is referred to throughout the Contract Documents as if singular in number. The term "Owner" means the Owner or the Owner's authorized representative.

2.2 INFORMATION AND SERVICES REQUIRED OF THE OWNER

2.2.1 The Owner shall, at the request of the Contractor, prior no execution of the Agreement and promptly from time to time thereafter, furnish to the Contractor reasonable evidence that financial arrangements have been made to fulfill the Owner's obligations under the Contract. /Note: Unless such reasonable evidence were furnished on request prior to

the execution of the Agreement, the prospective contractor would not be required to execute the Agreement or to commence the Work./

2.2.2 The Owner shall furnish surveys describing physical characteristics, legal limitations and utility locations for the site of the Project, and a legal description of the site.

2.2.3 Except for permits and fees which are the responsibility of the Contractor under the Contract Documents, the Owner shall secure and pay for necessary approvals, easements, assessments and charges required for construction, use or occupancy of permanent structures or for permanent changes in existing facilities.

2.2.4 Information or services under the Owner's control shall be furnished by the Owner with reasonable promptness to avoid delay in orderly progress of the Work.

2.2.5 Unless otherwise provided in the Contract Documents, the Contractor will be furnished, free of charge, such copies of Drawings and Project Manuals as are reasonably necessary for execution of the Work.

2.3 OWNER'S RIGHT TO STOP THE WORK

2.3.1 If the Contractor fails to correct Work which is not in accordance with the requirements of the Contract Documents as required by Paragraph 12.2 or persistently fails to carry out Work in accordance with the Contract Documents, the Owner, by written order signed personally or by an agent specifically so empowered by the Owner in writing, may order the Contractor to stop the Work, or any portion thereof, until the cause for such order has been eliminated.

2.4 OWNER'S RIGHT TO CARRY OUT THE WORK

2.4.1 If the Contractor defaults or neglects to carry out the Work in accordance with the Contract Documents and fails within a seven-day period after receipt of written notice from the Owner to commence and continue correction of such default, the Owner may after such seven-day period give the Contractor a second written notice to correct such deficiencies within a second seven-day period. If the Contractor within such second seven-day period after receipt of such second notice fails to commence and continue to correct any deficiencies, the Owner may, without prejudice to other remedies the Owner may have, correct such deficiencies. In such case an appropriate Change Order shall be issued deducting from payments then or thereafter due the Contractor the cost of correcting such deficiencies, including compensation for the Architect's additional services. If payments then or thereafter due the Contractor are not sufficient to cover such amounts, the Contractor shall pay the difference to the Owner.

ARTICLE 3 CONTRACTOR

3.1 DEFINITION

3.1.1 The Contractor is the person or entity identified as such in the Agreement and is referred to throughout the Contract Documents as if singular in number. The term "Contractor" means the Contractor or the Contractor's authorized representative.

3.2 REVIEW OF CONTRACT DOCUMENTS AND FIELD CONDITIONS BY CONTRACTOR

3.2.1 The Contractor shall carefully study and compare the Contract Documents with each other and with information furnished by the Owner pursuant to Subparagraph 2.2.2 and shall at once report to the Owner errors, inconsistencies or omissions discovered. The Contractor shall not be liable to the Owner for damage resulting from errors, inconsistencies or omissions in the Contract Documents unless the Contractor recognized such error, inconsistency or omission and knowingly failed to report it to the Owner. If the Contractor performs any construction activity knowing it involves a recognized error, the Contractor shall assume appropriate responsibility for such performance and shall bear an appropriate amount of the attributable costs for correction.

3.2.2 The Contractor shall take field measurements and verify field conditions and shall carefully compare such field measurements and conditions and other information known to the Contractor with the Contract Documents. Errors, inconsistencies or omissions discovered shall be reported to the Architect at once.

3.3 SUPERVISION AND CONSTRUCTION PROCEDURES

3.3.1 The Contractor shall supervise and direct the Work, using the Contractor's best skill and attention. The Contractor shall be solely responsible for and have control over construction means, methods, techniques, unless Contract Documents give other specific instructions concerning these matters.

3.3.2 The Contractor shall be responsible to the Owner for acts and omissions of the Contractor's employees, Subcontractors and other persons performing portions of the Work under a contract with the Contractor.

3.4 LABOR AND MATERIALS

3.4.1 Unless otherwise provided in the Contract Documents, the Contractor shall provide and pay for labor, materials, equipment, tools, construction equipment and machinery, water, heat, utilities, transportation, and other facilities and services necessary for proper execution and completion of the Work, whether temporary or permanent and whether or not incorporated or to be incorporated in the Work.

3.4.2 The Contractor shall enforce strict discipline and good order among the Contractor's employees and other persons carrying the Contract. The Contractor shall not permit employment of unfit persons or persons nor skilled in tasks assigned to them.

3.5 WARRANTY

3.5.1 The Contractor warrants to the Owner that materials and equipment furnished under the Contract will be of good quality and new unless otherwise required or permitted by the Contract Documents, that the Work will be free from defects not inherent in the quality required or permitted, and that the Work will conform with the requirements of the Contract Documents. Work not conforming to these requirements, including substitutions not properly approved and authorized, may be considered defective. The Contractor's warranty excludes remedy for damage or defect caused by abuse, modifications not executed by the Contractor, improper or insufficient maintenance, improper operation, or normal wear and tear under normal usage. If required by the Owner, the Contractor shall furnish satisfactory evidence as to the kind and quality of materials and equipment.

3.6 TAXES

3.6.1 The Contractor shall pay sales, consumer, use and similar taxes for the Work or portions thereof provided by the Contractor which are legally enacted when bids are received based on the Tax law of Armenia.

3.7 PERMITS, FEES AND NOTICES

3.7.1 Unless otherwise provided in the Contract Documents, the Contractor shall secure and pay for the building permit and other permits and governmental fees, licenses and inspections necessary for proper execution and completion of the Work which are customarily secured after execution of the Contract and which are legally required when bids are received or negotiations concluded.

3.7.2 The Contractor shall comply with and give notices required by laws, ordinances, rules, regulations and lawful orders of public authorities bearing on performance of the Work.

3.7.3 It is not the Contractor's responsibility to ascertain that the Contract Documents are in accordance with applicable laws, statutes, ordinances, building codes, and rules and regulations. However, if the Contractor observes that portions of the Contract Documents are at variance therewith, the Contractor shall promptly notify the Owner in writing, and necessary changes shall be accomplished by appropriate Modification.

3.7.4 If the Contractor performs Work knowing it to be contrary to laws, statutes, ordinances, building codes, and rules and regulations without

such notice to the Owner, the Contractor shall assume full responsibility for such Work and shall bear the attributable costs.

3.8 ALLOWANCES

3.8.1 The Contractor shall include in the Contract Sum all allowances stated in the Contract Documents. Items covered by allowances shall be supplied for such amounts and by such persons or entities as the Owner may direct, but the Contractor shall not be required to employ persons or entities against which the Contractor makes reasonable objection.

3.8.2 Unless otherwise provided in the Contract Documents:

.1 materials and equipment under an allowance shall be selected promptly by the Owner to avoid delay in the Work;

.2 allowances shall cover the cost to the Contractor of materials and equipment delivered at the site and all required taxes, less applicable trade discounts;

.3 Contractor's costs for unloading and handling at the site, labor, installation costs, overhead, profit and other expenses contemplated for stated allowance amounts shall be included in the Contract Sum and not in the allowances;

.4 whenever costs are more than or less than allowances, the Contract Sum shall be adjusted accordingly by Change Order. The amount of the Change Order shall reflect the difference between actual costs and the allowances.

3.9 SUPERINTENDENT

3.9.1 The Contractor shall employ a competent superintendent and necessary assistants who shall be in attendance at the Project site. The superintendent shall represent the Contractor, and communications given to the superintendent shall be as binding as if given to the Contractor. Important communications shall be confirmed in writing. Other communications shall be similarly confirmed on written request in each case.

3.10 CONTRACTOR'S CONSTRUCTION SCHEDULES

3.10.1 The Contractor, promptly after being awarded the Contract, shall prepare and submit for the Owner's information a Contractor's construction schedule for the Work. The schedule shall not exceed time limits current under the Contract Documents, shall be revised at appropriate intervals as required by the conditions of the Work and Project, shall be related to the entire Project and shall provide for expeditious and practicable execution of the Work.

3.10.2 The Contractor shall prepare and keep current, for the Owner's approval, a schedule of submittals which is coordinated with the

Contractor's construction schedule and allows the Owner reasonable time to review submittals.

3.10.3 The Contractor shall conform to the most recent schedules.

3.11 DOCUMENTS AND SAMPLES AT THE SITE

3.11.1 The Contractor shall maintain at the site for the Owner one record copy of the Drawings, Specifications, addenda, Change Orders and other Modifications, in good order and marked currently to record changes and selections made during construction, and in addition approved Shop Drawings. These shall be available to the Owner and shall be delivered to the Owner upon completion of the Work.

3.12 SHOP DRAWINGS, PRODUCT DATA AND SAMPLES

3.12.1 Shop Drawings are drawings, diagrams, schedules and other data specially prepared for the Work by the Contractor or a Subcontractor, Subcontractor, manufacturer, supplier or distributor to illustrate some portion of the Work.

3.12.2 Product Data are illustrations, standard schedules, performance charts, instructions, brochures, diagrams and other information furnished by the Contractor to illustrate materials or equipment for some portion of the Work.

3.12.3 Samples are physical examples which illustrate materials, equipment or workmanship and establish standards by which the Work will be judged.

3.12.4 Shop Drawings, Product Data, Samples and similar submittals are not Contract Documents. The purpose of their submittal is to demonstrate for those portions of the Work for which submittals are required the way the Contractor proposes to conform to the information given and the design concept expressed in the Contract Documents.

3.12.5 The Contractor shall review, approve and submit to the Owner Shop Drawings, Product Data, Samples and similar submittals required by the Contract Documents with reasonable promptness and in such sequence as to cause no delay in the Work or in the activities of the Owner or of separate contractors.

3.12.6 The Contractor shall perform no portion of the Work requiring submittal and review of Shop Drawings, Product Data, Samples or similar submittals until the respective submittal has been approved by the Owner. Such Work shall be in accordance with approved submittals.

3.12.7 By approving and submitting Shop Drawings, Product Data, Samples and similar submittals, the Contractor represents that the Contractor has determined and verified materials, field measurements and field construction criteria related thereto, or will do so, and has checked and coordinated the information contained within such submittals with the requirements of the Work and of the Contract Documents.

3.12.8 The Contractor shall not be relieved of responsibility for deviations from requirements of the Contract Documents by the Owner's approval of Shop Drawings, Product Data, Samples of similar submittals unless the Contractor has specifically informed the Owner in writing of such deviation at the time of submittal and the Owner has given written approval to the specific deviation. The Contractor shall not be relieved of responsibility for errors or omissions in Shop Drawings, Product Data, Samples or similar submittals by the Owner's approval thereof.

3.12.9 The Contractor shall direct specific attention, in writing or on resubmitted Shop Drawings, Product Data, Samples or similar submittals, to revisions other than those requested by the Owner on previous submittals.

3.12.10 Informational submittals upon which the Owner is not expected to take responsive action may be so identified in the Contract Documents.

3.12.11 When professional certification of performance criteria of materials, systems or equipment is required by the Contract Documents, the Owner shall be entitled to rely upon the accuracy and completeness of such calculations and certifications.

3.13 USE OF SITE

3.13.1 The Contractor shall confine operations at the site to areas permitted by law, ordinances, permits and the Contract Documents and shall not unreasonably encumber the site with materials or equipment.

3.14 CUTTING AND PATCHING

3.14.1 The Contractor shall be responsible for cutting, fitting or patching required to complete the Work or to make its parts fit together properly.

3.14.2 The Contractor shall not damage or endanger a portion of the Work or fully or partially completed construction of the Owner or separate contractors by cutting, patching or otherwise altering such construction, or by excavation. The Contractor shall not cut or otherwise alter such construction by the Owner or a separate contractor except with written consent of the Owner and of such separate contractor.

3.15 CLEANING UP

3.15.1 The Contractor shall keep the premises and surrounding area free from accumulation of waste materials or rubbish caused by operations under the Contract. At completion of the Work the Contractor shall remove from and about the Project waste materials, rubbish, the Contractor's tools, construction equipment, machinery and surplus materials.

3.15.2 If the Contractor fails to clean up as provided in the Contract Documents, the Owner may do so and the cost thereof shall be charged to the Contractor.

3.16 ROYALTIES AND PATENTS

3.16.1 The Contractor shall pay all royalties and license fees. The Contractor shall defend suits or claims for infringement of patent rights and shall hold the Owner and Architect harmless from loss on account thereof, but shall not be responsible for such defense or loss when a particular design, process or product of a particular manufacturer or manufacturers is required by the Contract Documents. However, if the Contractor has reason to believe that the required design, process or product is an infringement of a patent, the Contractor shall be responsible for such loss unless such information is promptly furnished to the Owner.

3.17 INDEMNIFICATION

3.17.1 To the fullest extent permitted by law, the Contractor shall indemnify and hold harmless the Owner from and against claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from performance of the Work, provided that such claim, damage, loss or expense is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself) including loss of use resulting therefrom.

4.CLAIMS

4.1 In the event of any occurrence which Contractor believes gives rise to any claim against Owner, Contractor shall give prompt written notice thereof to Owner not later than five (5) working days after such occurrence. Such notification shall give in specific detail the facts of such occurrence, the justification for any increase in Contract Price or modification to the schedule, and supporting documentation. Contractor waives any and all claims against Owner for any claims not filed in strict accordance with the provisions of this Section.

4.2 Upon receipt of notice from Contractor in accordance with the preceding Section, the parties shall negotiate in good faith to resolve any differences relative to such claim. In no event shall Contractor cease performance of any Work pending the resolution of any claim. Owner shall not be bound to any changes in the Contract Price or schedule without its agreement and a change order issued thereunder. No claims may be asserted by Contractor after final payment. In any event Contractor shall not be entitled under this Contract or otherwise, and hereby waives any claims, for lost profits or consequential damages. Contractor's remedies are limited to those expressly provided for in this Contract.

5.MATERIALS AND EQUIPMENT HANDING. PROTECTION OF THE WORK

5.1 Contractor shall protect its Work and all materials, equipment, supplies and other items to be incorporated therein, from and against any and all loss, damage, or destruction due to rain, flooding, freezing, fire, theft, mysterious disappearance or other casualty. Contractor shall additionally protect other work at the project as well as Owner's existing property or facilities from any loss, damage or other casualty, including but not limited to roads, buildings, material storage or other real or personal property. All costs incurred additional reimbursement from Owner.

5.2 Owner not shall be liable for any loss of or damage to Contractor's Work prior to final completion and acceptance, and Contractor shall without additional reimbursement make all corrections, repairs or replacements to the Work as may be necessary to correct any losses, damages, or other defects resulting thereto.

6.CONTRACTORS TOOLS AND EQUIPMENT

6.1 All tools and equipment furnished by Contractor for its own use shall be in first class condition and shall be suitable for the purposes intended. Contractor shall promptly remove and replace any tools or equipment which in any manner may be unsafe or inadequate for the proper performance of the Work.

6.2 In no event shall Owner be liable for any loss of or damage to Contractor's tools and equipment. Contractor waives all recovery and subrogation rights against Owner for any such loss or damage, regardless of the negligence of Owner.

7.CONTRACTOR - FURNISHED MATERIALS AND EQUIPMENT

7.1 Contractor shall be responsible for arranging shipment, transportation, off-loading, and storage of all Contractor - furnished materials or equipment to be received at the project site. Delivery shall be consigned solely to the mane of Contractor. All shipments shall be prepaid. In no event shall Owner be liable for costs of shipment, handling, storage or demurrage charges. No deliveries shall be consigned to Owner.

7.2 Contractor shall advise Owner as to the timing of receipt of materials and equipment at the Project Site. Available storage, laydown areas or staging areas shall be only those specifically authorized by Owner. In the event Contractor delays off-loading and storage of its materials or equipment and such delay may hamper the progress of the Project as a whole, then in such event Owner may off load and store Contractor materials or equipment (but shall not be required to do so) at Contractor's expense. In the event of such off-loading or storage by Owner, all risks of loss or damage thereto shall be borne by Contractor.

8. OWNER - FURNISHED MATERIALS, EQUIPMENT AND UTILITIES.

8.1 Materials and equipment furnished by Owner shall be received and checked by both Contractor and Owner. Unloading shall be performed by Contractor. Such receipts shall be evidenced by Contractor's written acceptance. Any shortages or damage to such materials and equipment,. Contractor shall be solely responsible for the safe handling and storage of such materials and equipment and assumes exclusive responsibility for any loss of or damage thereto. Any surplus materials or equipment remaining after Contractor's completion of its Work shall either be returned to Owner or be disposed of as Owner may direct and approve, the proceeds thereof to be returned to Owner. Contractor shall inspect any tools or equipment prior to use.

8.2 In the event the plans and specifications call for materials or equipment to be supplied by Owner. Contractor shall notify Owner in advance as to timing which may be necessary for the proper sequencing of Contractor's Work in accordance with the approved schedule. Contractor shall anticipate any delays which may result from Owner's failure to provide materials and equipment as may be required by the plans, drawings and specifications. Contractor shall notify Owner not less than two (6) days prior to its requirement for particular materials or equipment which could cause a material delay to Contractor's Work.

8.3 Limited telephone lines are available on the job site. Only select Contractors shall be allocated used of telephone lines, with such costs being the responsibility of the Contractor. If specified in the Scope of Work. Owner shall provide electricity and water in reasonable amounts to Contractor as may be necessary for the performance of the Work hereunder. Contractor shall be responsible for making connections to and distributions of electricity and water from distribution points designated by Owner. Interruption in utilities shall not be grounds for any modification to Subcontract Price or Schedule.

9.SITE LABOR

9.1 Contractor shall staff its Work with properly qualified craft and supervisory personnel as may be necessary for the proper performance of the Work. Contractor shall provide Owner a detailed staffing plan for the duration of the project. Craft personnel shall be properly licensed as may be required by applicable law. Contractor shall require its employees to brass in and out of the Project site. Contractor shall utilize its designated gate for ingress and egress of its employees as well as delivery of all tools, equipment or materials for the Work. A violation of this provision shall be deemed to be a material breach of contract.

9.2 Contractor shall appoint a representative who shall have full direction and charge of its Work. Such representative shall be subject to Owner's approval. Contractor's representative shall be fully authorized to act on behalf of Contractor. No supervisory

personnel at any level above foreman shall be removed from the Work without the consent of Owner.

9.3 Owner may require Contractor to remove any of its personnel from the Project Site whom Owner deems to be objectionable in Owner's sole judgment. Any such person shall be immediately removed from the Project Site and shall not again be reassigned to the Project Site without Owner's written consent.

10.LABOR DISPUTES

10.1 Contractor shall advise Owner of any actual or potential labor dispute which may in any way affect the progress of the Work.

11.WORK RULES

Contractor shall strictly comply with all Owner site safety rules and regulations. Contractor shall provide (or require its employees to provide) safety related equipment as may be necessary for the protection of its employees or as required by law, including but not limited to safety glasses, and hard hats. Speed limits on the job site will be observed as posted. Hard hats shall be uniform in color and shall have a decal or emblem specifically identifying Contractor by name. Site rules may be modified from time to time by Owner. Contractor shall remove any individual from the job site who violates in any material respect any safety procedures or fails to abide with site rules and regulations.

12.SAFETY

12.1 Contractor agrees to abide by any and all state safety laws, rules and/or regulations or PolarBEK safety rules if made in attachment to this Contract. Contractor's employees must wear safety hats and all other required safety clothing or equipment while on the Project Site. such hats, clothing and equipment shall be supplied at the expense of Contractor. Contractor shall take such steps as may be required to protect persons and property from injury, loss or damage arising out of the performance of the Work. Contractor warrants that all materials, equipment and things furnished by Contractor in connection with the Work shall comply with all such applicable laws, rules and regulations.

12.2 Contractor shall be solely responsible for providing its employees with a safe place to work and to protect its employees against any peculiar risks presented by the work place or the nature of the Work, including but not limited to scaffolding and structural work, Contractor shall inspect all areas in which Contractor is or may perform Work and shall immediately correct any unsafe work conditions which may be present. Contractor shall indemnify, defend and hold Owner, their agents ,servants and employees harmless from Contractor's failure to comply with the provisions of this Section.

12.3 Contractor shall immediately report to Owner any work related accidents or illness (other than routine first aid). Such reports shall be in writing and in such detail as Owner may request. Written incident reports are to be provided within 24 hours from the time of the accident. Contractor shall designate its own safety representative who shall require and shall provide all new employees with a safety orientation prior to starting of work at the Project Site. In addition, weekly safety meetings will be held with Contractor's foremen, with a monthly job site safety meeting to be held with all employees. Nothing contained herein shall in any way limit or be considered a substitution for Contractor's own safety program, which shall be developed and executed by Contractor as it pertains to the Work hereunder.

12.4 Fire protection required by Contractor's Work is the responsibility of Contractor. Contractor will furnish fire extinguishers which shall be present when any cutting, burning, welding or grinding is being done.

13.HOUSEKEEPING

13.1 Contractor shall keep the premises related to its Work in a clean and neat condition. Contractor shall remove all debris from the Project Site and shall promptly dispose of the same.

13.2 In the event Contractor fails to maintain the premises in a clean and neat condition as required herein, Owner may perform such activities and charge the costs thereof to Contractor.

14INFORMATION AND DOCUMENT CONTROL

14.1 CONFIDENTIALITY

Any and all trade secrets, drawings, specification, data, materials or any other information supplied by Owner, developed by Contractor, or otherwise observed at the Project Site in connection with the Work shall be held in confidence by Contractor and shall not be utilized or divulged to any other parties. Any and all such documents furnished by Owner or developed by Contractor shall remain the property of Owner. Any and all such information shall, upon request., be returned to Owner upon completion of the Work. Such information and documents may be utilized by Owner without restriction or further monetary obligation.

14.2 PUBLICITY

Contractor shall not publicize or make news releases or advertisements concerning the Work without first obtaining Owner's express written approval.

15PAYMENT

15.1 Contractor shall submit separate monthly invoices for all Work properly performed up to the 25th day of the preceding month. Such invoices may include the following items: labor and materials furnished and properly installed to the date of invoice less retention less previous payments made. The net amount due shall be payable within 30 days from the date of receipt of proper invoice and payment thereunder received from Owner. All progress payments shall be accompanied by a duly executed partial release of lien and general release on such form as Owner may prescribe.

15.2 Should any Work under this Subcontract be authorized for payment under a time and material bases. Owner shall be afforded audit rights to all of Contractors records, including those of its lower tier Contractors and vendors, for verification of proper amounts payable. Such records shall be separately maintained from any records pertaining to other Work which may be performed under this Subcontract under any other basis other than such time and material reimbursement.

15.3 Contractor's invoice for final payment and/or release of retention shall be made only after Contractor has fully completed all Work and Owner issued its written notice of final acceptance. Such invoice shall include details as to the total Subcontract Price, payments previously made and retention withheld. Such final invoice shall be accompanied by a release of lien and general release on such form as Owner may prescribe. Contractor's final invoice shall be submitted within 60 days from the date of completion of the Work. Failure to submit billing within such time shall be a waiver of same. Unless otherwise provided , final payment shall be made within 60 days after Owner's receipt of final invoice. Final payment hereunder shall not constitute Owner's acceptance of defective Work not in conformance with the Subcontract documents.

16.0 AUDIT RIGHTS

Owner shall be afforded rights of audit to Contractor's records and books whether on or off the project site relative to proper billings to Owner from Sub Owner. Such audit rights shall pertain to Work performed on a unit price or reimbursable cost bases. Such rights shall also extend to work for which Sub Owner has submitted a claim under the provisions of Section 4.0. Claims. Sub Owner's refusal to provide access to records and documentation as may be requested by Owner shall be grounds for denial of such additional compensation or claims Contractor shall maintain such records for a period of two years from the date of final payment. Such audit rights shall be for the benefit of Owner during all reasonable working hours.

17.0 UNIT PRICES

In the event that the Subcontract Price includes unit prices based upon quantities which are estimated. Contractor acknowledges and agrees that the estimated units set forth are estimates only based upon the understanding of the parties at the time of the execution of this Subcontract, and that the quantity of units estimated are not guaranteed in any manner whatsoever, as independent circumstances shall control actual quantities used, and payment shall be only for actual quantities and not estimated quantities. The unit prices include all overhead, indirect or incidental costs.

18.0 GRATUITIES/ETHICS

Contractor agrees not to offer or give to Owner or their officers, employees or agents any gift, payments, loans or other gratuity which is designed to influence the judgment of Owner concerning the award of any Work to provide favorable treatment. Contractor Shall perform its services with the highest regard for ethics. Contractor shall not separately contract with or purchase or sell any items from or to Owner's employees individually who may in any manner be associated with Contractor's Work without the express written approval of an officer of Owner.

19.0 MERGER

This Contractor contains the entire agreement between the parties and supersedes all previous proposals, understandings, correspondence and/or agreement, there being no other agreements or understanding other than those written or specified herein. All additions hereto or changes herein shall not be binding unless they are in writing and signed by the parties. No custom or usage of any trade at variance with the terms and conditions of this Subcontract shall be binding.

Part 2. Qualification Information

1. For Individual Bidders or Individual Members of Joint Ventures

1.1 Constitution or legal status of bidder (Attach copy)

Place of registration: _____

Principal place of business: _____

Power of attorney of signatory of bidder (Attach)

1.2 Total annual volume of construction work performed in five years, in the following internationally traded currency: _____

(All prices to be expressed in current Rubel)

1989: _____

1990: _____

1991: _____

1992: _____

1993: _____

1.3 Work performed as prime contractor on works of a similar nature and volume over the last five years. The values should be indicated in the same currency as used for Item 1.2 above.

Project Name and Country	Name of Client	Type of Work Performed and Year of Completion	Value of Contract

- 1.4 The following items of Contractor's Equipment are essential for carrying out the Works. The bidder should list all the information requested below:

Item of Equipment	Make and Age (years)	Condition (new, good, poor) no available	Owned, Leased to be Purchased (from whom?)

- 1.5 Qualifications and experience of key personnel proposed for administration and execution of the Contract. Attach curricula vitarum.

Position	Name	Years of Experience (general)	Years of Experience in Proposed Position
Project Manager			
Chief Engineer			

1.6 Proposed subcontracts and firms involved.

Sections of the Works	Subcontractor (name and address)	Experience in Similar Work

1.7 Financial reports for the last five years: balance sheets, profit and loss statements, auditors' reports, etc. List them below and attach copies.

1.8 Evidence of access to financial resources to meet the qualification requirements: cash in hand, lines of credit, etc. List them below and attach copies of support documents.

1.9 Name, address, and telephone, telex, and fax numbers of the bidders' bankers who may provide references if contacted by the Employer.

1.10 Information on current litigation in which the bidder is involved.

Other Party(ies)	Cause of Dispute	Amount Involved

1.11 Proposed work method and schedule. The bidder should attach descriptions, drawings and charts as necessary to comply with the requirements of the bidding documents.

2. For Joint Ventures

2.1 The information listed in 1.1 - 1.10 above shall be provided for each partner of the joint venture.

2.2 The information in 1.11 above shall be provided for the joint venture.

- 2.3 Attach the power of attorney of the signatory(ies) of the bid authorizing him (them) to sign the bid on behalf of the joint venture.
- 2.4 Attach the Agreement among all partners of the joint venture (and which is legally binding on all partners, which shows that):
- (a) all partners shall be jointly and severally liable for the execution of the Contract in accordance with the Contract terms;
 - (b) one of the partners will be nominated as being in charge, authorized to incur liabilities and receive income for and on behalf of any and all partners of the joint venture; and
 - (c) the execution of the entire Contract including payment shall be done exclusively with the partner in charge.
- 2.5 Describe what experience does the Contractor has to work under existing condition's (blockade)